

# Appeal 2001-2002



International Federation  
of Red Cross and Red Crescent Societies

## DISASTER RELIEF EMERGENCY FUND

(Appeal 01.72/2001)

*Click on figure to go to budget*

*In CHF*

DREF

10,000,000

### Background and progress to date

The Disaster Relief Emergency Fund (DREF) is the most powerful tool the Federation has to provide immediate support to national societies responding to disasters. The DREF fills the gap between the onset of a disaster and donor response to an appeal; it also supports many minor disasters for which appeals are not launched. DREF funds can be released at any time for any disaster and does not require an appeal to be launched.

A significant change in the overall effectiveness of the DREF is planned for 2001-2002. By increasing the size of the fund and improving the DREF recovery mechanisms the DREF can become an automatic line of credit for new emergencies, thus making a significant change to the way national societies can plan for disaster response.

The Disaster Relief Emergency Fund (DREF) was established in 1985 to provide immediate funding for emergencies. Funding for emergencies is provided through donor support to emergency appeals, but the response to emergencies by national societies must start before the launching of an appeal and the receipt of pledges and contributions. The critical function of the DREF is to fill this gap.

While some national societies have significant resources already in place to respond to emergencies, many have limited resources and depend on DREF to provide the initial financial support to underwrite the costs of immediate response initiatives.

The DREF is presently used for nearly every new emergency, but requires certain management approvals, in particular in relation to the available funds in DREF. For national societies to revise their disaster response planning, a more automatic DREF funding would make a significant difference. Recent studies have shown that the annual funding of DREF is adequate to cover the net costs of DREF, but that only by increasing the size of the fund can the Federation make DREF funding a more certain guarantee of emergency response.

The DREF is a revolving fund. DREF funding provides the backing required by a national society to initiate disaster response and is then replaced by the regular funding for the appeal launched to respond to the disaster. The size of the DREF depends significantly on the recovery mechanism, as the faster the recovery, the lower the fund requirement. In late 2000 the Federation has introduced new regulations to automate the recovery of DREF funds thus reducing bureaucracy and improving efficiency.

**Goal** The goal of the DREF is to provide guaranteed immediate funding in response to major and minor emergencies to enable the Federation to move quickly, effectively, and efficiently.

## Objectives and Activities planned

**Objective** To make the DREF a *guaranteed* line of credit for new emergencies.

Activities to reach this objective are:

- Reach the minimum funding requirement to make DREF an automatic tool for disaster response.
- Finalise changes in procedures to improve DREF recovery to sustain the fund.

### Expected results

- The Federation is capable of responding quickly, effectively, and efficiently to disasters.
- Automatic line of credit for all new appeals representing 15-20% of the appeal target.
- Improved disaster response planning by national societies and delegations.
- Increased number of DREF-funded operations.
- Increased speed of DREF allocations.
- Increased funding from donors to achieve a fund total of CHF 10 million.

### Indicators

- DREF achieves funding requirement to automate line of credit for all emergencies.
- Country and regional assistance strategies review disaster response planning to accommodate new DREF procedures.
- Funding level and the automated use of DREF will increase the number of DREF funded operations.
- Automated DREF allocations based on increased fund size replaces ad hoc request and approval DREF procedures.
- DREF funding target of CHF 10m is achieved.

### Critical assumptions

- The new approach to DREF can only take place once funding reaches the required level.
- PNS holding national DREF type funds will support the objectives of the Federation DREF.

### Monitoring and Evaluation arrangements

The Federation has developed Terms of Reference for a Department for International Development (DFID)-funded evaluation of DREF efficiency and ways to improve DREF procedures. This is expected to take place in January 2001 with a report available in February 2001. DREF reports will be produced at least six times a year based on the objectives above.

<b>Appeal 2001</b>	
<b>D R E F</b>	
<b>PROGRAMME</b>	<b>TOTAL</b>
Other relief supplies	<b>10,000,000</b>
<b>Total budget</b>	<b>10,000,000</b>

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